



Audit Report

OFFICE OF THE INSPECTOR GENERAL

**TRACKED VEHICLE SYSTEMS TRANSFERRED
TO THE ARMY NATIONAL GUARD**

Report No. 96-177

June 26, 1996

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Department of Defense

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Acronyms

ARNG	Army National Guard
BFV	Bradley Fighting Vehicle
DCSLOG	Deputy Chief of Staff for Logistics
RRAD	Red River Army Depot
TM	Technical Manual



**INSPECTOR GENERAL
DEPARTMENT OF DEFENSE
400 ARMY NAVY DRIVE
ARLINGTON, VIRGINIA 22202-2884**



June 26, 1996

**MEMORANDUM FOR ASSISTANT SECRETARY OF DEFENSE (RESERVE
AFFAIRS)
CHIEF, NATIONAL GUARD BUREAU
AUDITOR GENERAL, DEPARTMENT OF THE ARMY**

**SUBJECT: Audit Report on Tracked Vehicle Systems Transferred to the Army
National Guard (Report No. 96-177)**

We are providing this report for review and comment. This report is the second audit on equipment acquired by or transferred to the Army National Guard. We considered comments on a draft of this report in preparing the final report.

DoD Directive 7650.3 requires that all recommendations and potential benefits be resolved promptly. Management comments did not address the draft recommendation; however, we did change the text and draft recommendation and added a recommendation addressed to the Chief, National Guard Bureau, based on management comments to the draft report. Therefore, we request that the Deputy Chief of Staff for Logistics provide comments on revised Recommendation 1 and the Chief, National Guard Bureau, provide comments on Recommendation 2 by July 29, 1996.

We appreciate the courtesies extended to the audit staff. Questions on the audit should be directed to Mr. James L. Koloshey, Audit Program Director, at (703) 604-8961 (DSN 664-8961) or Mr. Michael E. Simpson, Audit Project Manager, at (703) 604-8972 (DSN 664-8972). See Appendix F for the report distribution. The audit team members are listed inside the back cover.

David K. Steensma
Deputy Assistant Inspector General
for Auditing

Office of the Inspector General, DoD

Report No. 96-177
(Project No. 5AG-0033.00)

June 26, 1996

**Tracked Vehicle Systems Transferred
to the Army National Guard**

Executive Summary

Introduction. The Deputy Chief of Staff for Logistics is responsible for establishing policy and procedures for transferring weapon systems to the Army National Guard. For tracked vehicles, the Deputy Chief of Staff for Logistics coordinates with the Deputy Chief of Staff for Operations and Plans and Materiel Fielding Teams from the Program Executive Office, Armored Systems Modernization, using the total package fielding process. Under this process, weapon systems must be transferred to the Army National Guard with all required support items including mission-essential subsystems. Because the Army significantly changed force structure at the end of the Cold War and Operation Desert Storm, equipment was transferred at an accelerated rate to the Army National Guard.

Audit Objective. The overall audit objective was to determine whether planning was adequate for the transfer of tracked vehicle systems to the Army National Guard. This report is the second audit on equipment acquired by or transferred to the Army National Guard. This audit focused on two systems: the Abrams Tank and the Bradley Fighting Vehicle that were transferred to the National Guard from active units. The first audit concerned systems obtained directly through the acquisition process.

Audit Results. Approximately 30 percent of the Abrams Tank and Bradley Fighting Vehicle Systems that we reviewed were delivered to Army National Guard locations in a non-mission-capable condition and without all required support equipment. Although the Material Fielding Team later corrected these deficiencies before the transfer to the Army National Guard, the resulting delay adversely affected the readiness status of Army National Guard units and maintenance man-hour backlog increased. The recommendations in this report, if implemented, will assure that the Army National Guard receives equipment in mission-capable condition and will be able to train effectively and deploy in a timely manner. The overall management control program was adequate; however, current procedures, although comprehensive in scope, did not prevent the initial delivery of non-mission-capable systems.

Summary of Recommendations. We recommend that the Army Deputy Chief of Staff for Logistics require a comprehensive Memorandum of Agreement among the various commands to improve the transfer of equipment. We also recommend that the Chief, National Guard Bureau, augment the Materiel Fielding Team with personnel from the National Guard Bureau.

Management Comments. We received comments to the draft report from the Deputy Chief of Staff for Logistics that included comments from the Program Executive Office, Armored Systems Modernization, and the Chief, National Guard Bureau. The comments did not address the draft recommendation but did include additional information concerning the transfer process and the role of the Materiel Fielding Team. See Part I for a summary of management comments and Part III for the complete text of management comments.

Audit Response. We revised the text and the recommendation as a result of information in the management comments. Specifically, we included a more comprehensive discussion of the procedures covering the transfer process and the role of the Materiel Fielding Team. We modified the draft recommendation to provide for a Memorandum of Agreement among all participating commands and added a second recommendation requiring the National Guard Bureau to provide personnel for the Materiel Fielding Teams. Therefore, we request that the Deputy Chief of Staff for Logistics provide comments on revised Recommendation 1 and the Chief, National Guard Bureau, provide comments on Recommendation 2 by July 29, 1996.

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Part I - Audit Results

Audit Results

Audit Background

The United States Army has two Reserve Components in addition to the Active Component. Combat units and their direct support units are in the Army National Guard (ARNG). The Army Reserve is comprised primarily of combat Service support and combat support units. Each of the 50 states plus the territories/commonwealths of Puerto Rico, Guam, U.S. Virgin Islands, and the District of Columbia have ARNG Components. Throughout the 50 states, the 3 territories/commonwealths, and the District of Columbia, the ARNG has 4,400 units in 2,600 communities. During peacetime, the state, territory/commonwealth, or city controls its respective ARNG unit. These ARNG units provide disaster relief and drug interdiction and maintain public peace and order during local emergencies. The President can federalize ARNG units in time of war or national emergency. Once federalized, ARNG units become part of the United States Army and fight alongside full-time Active Army units.

DoD policy requires that priority for distribution of equipment be given to units scheduled to be deployed or employed first, irrespective of Component. The ARNG obtains equipment from appropriations to the Army regular procurement budget, separate appropriations specifically for ARNG equipment (dedicated procurement program), and other Army units through transfer.

As a result of the end of the Cold War and Operation Desert Storm, the Army made significant Force Structure changes. The European theater was significantly reduced and realigned and the Eighth U.S. Army Korea priority fielding level was changed. These changes made available unprogrammed equipment including Abrams Tank and Bradley Fighting Vehicle Systems from sources worldwide for transfer to ARNG units resulting in accelerated fieldings of the equipment.

Audit Objectives

The objective of the audit was to determine whether planning was adequate for the transfer of tracked vehicle systems to the ARNG. This report is our second audit on equipment acquired or transferred to the ARNG. The first audit addressed systems acquired through the acquisition process. In this audit, we focused on the Abrams Tank and the Bradley Fighting Vehicle Systems due to the large numbers of these systems being transferred from the active Army to the ARNG (Appendix A). See Appendix B for a summary of prior coverage related to audit objectives.

Systems Transferred to the Army National Guard

Approximately 30 percent of the Abrams Tank and Bradley Fighting Vehicle Systems that we reviewed were delivered to Army National Guard locations in non-mission-capable condition and without required support equipment. Existing procedures covering the transfer process, although comprehensive in scope, were not adequate to preclude the delivery of non-mission-capable systems. Although the Materiel Fielding Team corrected the deficiencies, the readiness status of some units was adversely affected, preventing these units from training effectively and mobilizing in a timely manner. Moreover, the Army National Guard's maintenance man-hour backlog was increased.

Guidance

Two primary regulations govern the transfer and fielding of weapon systems and related equipment.

o Army Regulation 700-142, "Materiel Release Fielding and Transfer," May 1, 1995, contains the policies and procedures to ensure that materiel is suitable and supportable before transfer to the user. The materiel transfer process should provide for the effective transfer of equipment including the necessary logistics support requirements. The Deputy Chief of Staff for Logistics (DCSLOG) is responsible for Army materiel release, fielding, and transfer. DCSLOG coordinates with the Deputy Chief of Staff for Operations and Plans; the Assistant Secretary of the Army (Research, Development, and Acquisition); and the materiel developer.

o Army Regulation 750-1, "Army Maintenance Policy and Retail Maintenance Operations," September 27, 1991, states that the Army maintenance standard is based on Technical Manual (TM) 10 and 20 series Preventive Maintenance Checks and Services. All fieldings and transfers of equipment must meet this standard. This Regulation requires that equipment transferred between Major Commands must be fully mission-capable and that all authorized basic issue items and components of end items are provided during the handoff of equipment. The releasing command is responsible for adhering to this standard.

Materiel Fielding Team

The Program Executive Office for Armored Systems Modernization provides a Materiel Fielding Team to ARNG locations where units are receiving Abrams

Systems Transferred to the Army National Guard

Tank and the Bradley Fighting Vehicle Systems. Program Executive Office responsibilities include planning and coordinating each fielding effort; providing a fielding team to receive, prepare, inspect, repair, and hand off vehicles; issuing support equipment; and providing new equipment training and assistance. Before the systems are formally transferred to the ARNG units, the team ensures that the vehicles are fully mission-capable and safe for operation. Internal damage is repaired or parts are ordered to meet TM 10 and 20 standards.

Mission Capability and Support - Abrams Tank

We evaluated the condition and supportability of 1,405 Abrams Tanks transferred to the ARNG locations in 12 states and found that 413 (29 percent) were delivered in non-mission-capable status. A total of 590 tanks were received from active units, 597 were received from the Anniston Army Depot Inspect and Repair Only as Necessary program, and 218 were received from other ARNG units. The 218 Abrams transferred from ARNG units were in good condition. See Appendix C.

Transfers From Active Units. Abrams Tanks identified for transfer to ARNG units were received from various sources in a non-mission-capable status by the Materiel Fielding Teams. Of 590 tanks transferred from active units, 328 were not in TM 10 and 20 standard condition. The 129 tanks received by the Tennessee ARNG were in mission-capable condition. The Materiel Fielding Team repaired all vehicles before transfer to gaining units. The following sections describe the fieldings for the states we visited.

Mississippi. The Mississippi ARNG received 32 tanks from an active unit in Germany. None of the tanks were delivered in TM 10 and 20 standards. Deficiencies noted included fuel leaks, burned interface cables, and corroded electrical cables.

New York. The New York ARNG received 60 tanks from an active unit at Fort Polk, Louisiana. Fifty of those tanks were transferred with non-mission-capable deficiencies. The deficiencies included broken bolts and broken components.

Oregon. The Oregon ARNG received 60 tanks from an active unit. We were only able to evaluate 22 tanks due to location of the tanks. Six of the 22 tanks were non-mission-capable. Inspection reports were not available to document examples of the deficiencies.

Pennsylvania. The Pennsylvania ARNG received 119 tanks from various active units. Fifty tanks did not meet TM 10 and 20 standards. The Inspection Reports documented that each tank had numerous non-mission-capable deficiencies and shortcomings. For example, the tanks did not meet minimum speeds, fuel gauges were inoperable, and vehicles did not downshift properly.

Systems Transferred to the Army National Guard

Texas. The Texas ARNG received 180 tanks from active units at Fort Polk, Louisiana, and Fort Carson, Colorado. All tanks were non-mission-capable and had numerous shortcomings that hindered their ability to perform effectively. For example, several tanks had fuel and oil leaks. In addition, many tanks had inoperable transmissions and engines.

Vermont. The Vermont ARNG received 10 tanks from active units at Fort Polk, Louisiana. The tanks were in non-mission-capable condition. Inspection reports were not available to document examples of deficiencies. The tanks were among the first to arrive at New York locations (where Vermont equipment is stored); however, because of their poor condition, they were the last to be deprocessed.

Transfers From Anniston Army Depot. Of 597 Abrams Tanks received from the Anniston Army Depot, 85 were non-mission-capable. The Materiel Fielding Team repaired all vehicles before transfer to gaining units.

Idaho. The Idaho ARNG received 61 Abrams Tanks from the Anniston Army Depot. Twenty-five were non-mission-capable because of hydraulic leaks and failed engines.

North Carolina. The North Carolina ARNG received 60 Abrams Tanks from Anniston Army Depot. Each Abrams Tank was non-mission-capable because of numerous deficiencies. These deficiencies included inoperable gunner's primary sights, defective rotor shocks, oil leaks, and safety issues.

Support Equipment. The transfer of the Abrams Tanks did not include some basic issue items and other types of support equipment. Shortages were in repair parts, special tools, and associated support items of equipment. Louisiana, Idaho, Oregon, and Pennsylvania had numerous basic issue items that were not fielded with their tanks. For example, the Pennsylvania ARNG received tanks that were missing the engine, transmission, and several basic issue items. The Oregon ARNG was provided tanks without fire control computers, wiring harnesses, and transmissions.

Maintenance Standards - Abrams Tank System

Active Units. The active units did not adequately maintain the Abrams Tanks before transferring them to the ARNG. Army Regulation 750-1 requires that the gaining command perform pre-inspections a minimum of 120 days before the transfer date. The pre-inspections are required to ensure that deficiencies are corrected by the losing command and that equipment is fully mission-capable and supportable before being transferred to the gaining command. Pre-inspections by the ARNG at the active units showed that the Abrams Tanks did not meet TM 10 and 20 standards and had numerous non-mission-capable deficiencies before being transferred to the ARNG.

Systems Transferred to the Army National Guard

During the pre-inspections, the ARNG fully documented its findings so the losing commands could repair the tanks to the standard required in Army Regulation 750-1. However, upon receipt of the Abrams Tanks at the ARNG locations, the ARNG said that many tanks were still non-mission-capable. Specifically, 280 of the 328 Abrams Tanks transferred from active units with non-mission-capable deficiencies were pre-inspected by the ARNG. Each non-mission-capable tank that had been pre-inspected was received from units that had been deactivated. Further, in one instance with the Pennsylvania ARNG, basic issue items and support equipment were missing after the pre-inspection by the ARNG. According to ARNG personnel, these items appeared to have been swapped or removed before their transfer to the ARNG.

Although the ARNG performed required pre-inspections on many tanks, this requirement was not always performed. For example, the Mississippi ARNG received 32 Abrams Tanks from an active brigade in Berlin, Germany. The pre-inspections for those 32 tanks were cancelled. Each tank was received in non-mission-capable condition and \$2 million was required for repair parts and labor costs to correct deficiencies. Before the transfer of the tanks to the ARNG from the Materiel Fielding team, all discrepancies were corrected.

Anniston Army Depot. Before FY 1991, tanks that went through the Inspect and Repair Only as Necessary Program were not required to be repaired to TM 10 and 20 maintenance standards. The program was designed to produce a safe and reliable vehicle able to perform its mission at the least cost. In addition, the program assumed the vehicles had been maintained in TM 10 and 20 standards. After FY 1991, the Inspect and Repair Only as Necessary Statement of Work between Anniston Army Depot and U.S. Army Tank-automotive and Armaments Command was expanded to include the TM 10 and 20 standard requirement. According to maintenance personnel at ARNG units in North Carolina and Idaho, they received tanks in non-mission-capable condition. Before the transfer of the tanks to the ARNG from the Materiel Fielding team, all discrepancies were corrected. However, despite interviews with cognizant ARNG, Anniston Army Depot, U.S. Army Tank-automotive and Armaments Command personnel, and Materiel Fielding Team personnel, we were unable to determine the cause of the deficiencies.

Mission Capability and Support - Bradley Fighting Vehicle

We evaluated the condition and supportability of 399 Bradley Fighting Vehicles (BFV) delivered to ARNG locations in five states and found that 129 (32 percent) were in non-mission-capable status. Ninety-one BFVs were from active units, 222 BFVs were from Red River Army Depot (RRAD), 82 were from other ARNG units, and 4 were from new production. See Appendix D.

Transfers From Active Units. The ARNG received 68 out of 91 BFVs in non-mission-capable status condition from active units. The Materiel Fielding Team repaired all vehicles before transfer to gaining ARNG units.

Systems Transferred to the Army National Guard

South Carolina. Fifty-nine of the 60 BFVs were delivered to the South Carolina ARNG in non-mission-capable status. The BFVs had numerous problems with ramps, speedometers, and fuel-sending units. Many vehicles were shipped in non-mission-capable status with numerous parts that were known to be bad or missing.

Washington. A review of the data on 31 BFVs delivered to the Washington ARNG showed that 9 were non-mission-capable at the deprocessing site. Documentation on the remaining 22 BFVs was not available. Discrepancies included cracked turret ring bearings, fuel system contaminations, missing eject chutes, inoperable parking brakes, inoperable fire suppression systems, unserviceable periscopes, and turret traverse bearings that did not meet tolerance. With the exception of the cracked turret ring bearings, the fielding team corrected the discrepancies.

Transfers From Red River Army Depot. Thirty-three of the 222 BFVs were received in non-mission-capable status. The fielding team repaired all vehicles before transfer to gaining units.

Mississippi. All seven BFVs from RRAD to the Mississippi ARNG were non-mission-capable when delivered to ARNG locations. Among the non-mission-capable faults were problems with transmissions, generators, a launcher, fuel and air filters, and sensors. Six systems from Red River were missing three modifications for skirt bolts, skirt washers, and fuel filters.

Oregon. Ten of the 33 BFVs from the RRAD to the Oregon ARNG were in non-mission-capable status. Non-mission-capable faults included problems with circuit cards, feeder shaft assemblies, and traverse gear boxes. In addition, test sets used to support the Bradleys had not arrived.

Washington. Washington ARNG officials stated that 16 of the 41 BFVs from RRAD were in a non-mission-capable status at the time of transfer. Problems included faulty turret rings and failed engine subsystems.

Transfers From Mississippi National Guard. The Mississippi ARNG transferred 82 BFVs to other ARNG units. Twenty-eight BFVs that were transferred to South Carolina were in non-mission-capable status and 54 were transferred to the Oregon ARNG with no problems. We were unable to determine why the 28 arrived in South Carolina with non-mission-capable deficiencies. According to Mississippi ARNG officials, the BFVs were shipped in good condition. Because in only these two instances did a ARNG Unit transfer equipment to another ARNG Unit and the BFVs that went to Oregon had no problems, no recommendation will be made.

Support Equipment. Some basic issue items and support equipment were not fielded concurrently with the BFVs. Mississippi, South Carolina, Washington, and Oregon did not receive some basic issue items with their systems. These shortages were filled later.

Maintenance Standards - Bradley Fighting Vehicle

Red River Army Depot. BFVs were delivered to ARNG locations in non-mission-capable status. Although the initial Red River Army Depot's scope of work for repairing the BFVs required that the BFVs be repaired to a standard higher than TM 10 and 20 condition, 33 vehicles in our analysis were shipped from Red River Army Depot without the required repairs. This scope of work was modified as a result of an analysis that revealed the need for additional investigation and repair of latent damage. Due to the downsizing and the end of Operation Desert Storm, many BFV transfers to the ARNG were expedited. In addition, some BFVs were shipped with missing equipment, such as periscopes, and some BFVs were stored for long periods before shipping.

Active Units. The BFV was not properly maintained or repaired at active units before being transferred to the ARNG. For example, the South Carolina ARNG performed pre-inspections that identified numerous non-mission-capable faults on 59 of 60 BFVs. After the fielding, the Materiel Fielding Team noted that the same deficiencies on each of the 59 non-mission-capable BFVs had not been repaired when the South Carolina ARNG received the BFVs. We were unable to obtain copies of the Pre-Inspection Reports. However, the Materiel Fielding Team documented these deficiencies in After Action Reports. In addition, the BFVs were shipped to the South Carolina ARNG with numerous missing parts.

Existing Regulations and Procedures

Although regulations and numerous controls are in place for executing the transfer of systems, these are not always working effectively. We believe that if the regulations were clarified, Memorandums of Agreement were more specific, and the ARNG augmented the Materiel Fielding Teams, the transfer process would be more effective. This becomes important because for future transfer of equipment from the Active Army to the ARNG, the Materiel Fielding Team may not be involved.

Regulations. Current regulations governing the transfer of systems include regulations such as Army Regulations 750-1 and 700-142. According to Army cognizant officials involved, the regulations are confusing and conflict with each other. For example, Army Regulation 750-1 states that the Army Materiel Command is ultimately responsible to ensure systems are fielded in mission-capable status and to resolve disputes. However, Army Regulation 700-142 implies that the Deputy Chief of Staff for Logistics is responsible. This confusion and lack of clearly stated responsibility contributed to the fielding problem. According to the Deputy Chief of Staff, ARNG units should have notified the Army Materiel Command of deficiencies. However, no documentation exists that the Army Materiel Command was notified of any deficiencies and, therefore, could not take any action.

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Memorandum of Agreement. A Memorandum of Agreement must clearly specify responsibilities for all commands involved in the transfer of equipment to ARNG. The existing Memorandums of Agreement do not include language that establishes responsibility of all commands involved, controls to be taken after equipment has been inspected to preclude cannibalization and missing support equipment, and responsibility for repairing systems including funding sources.

To ensure that disagreements between the losing and gaining commands are resolved, an "honest broker" should be named in the Memorandum. This individual should be pro-active and external to the gaining and losing commands and should have the authority to resolve differences and fix responsibility for any cannibalization and transportation damage that occurred.

Procedures. Although procedures were comprehensive, systems were being initially transferred in non-mission-capable status. Procedures include deprocessing checklists, pre-inspections, post-inspections, and scope of work agreements among Major Commands and Depots. Both ARNG units and Depots should take a more pro-active role before and during the transfer process. Their participation should not just occur after the transfer of equipment. One method would be that the ARNG establish a Mobile Transfer Team to augment the existing Materiel Fielding Team. In addition, if ARNG units receive equipment at less than the Army standard, they must inform the proper commands to resolve the issue at the lowest possible level to ensure that equipment is maintained and transferred in a mission-capable condition.

Readiness

The non-mission-capable status of the Abrams Tanks and BFVs adversely affected readiness. Mississippi, New York, Pennsylvania, and South Carolina units reported readiness rates that were below the Army standard of 90 percent for equipment on hand after the Abrams and BFVs were fielded to the units. The decrease in readiness rates was attributed to the poor condition of the Abrams Tanks and the BFVs. Sufficient data was only available for 4 of the 10 states that received systems in non-mission-capable status.

Mississippi. The equipment readiness status of the Mississippi ARNG Abrams Tank unit was 75 percent, which is below the Army 90 percent standard, because all 32 active tanks fielded to the Mississippi ARNG were non-mission-capable. According to Mississippi ARNG personnel, the readiness rates would have been lower if the units had not retained the M60 tanks until the Abrams Tanks were brought up to TM 10 and 20 standards.

New York. The readiness rate for one New York ARNG tank unit was 92 percent for the quarter when two Abrams Tanks were on hand. However, after fielding an additional 14 tanks, the readiness rate of the unit decreased to 67 percent for fourth quarter FY 1994. In addition, from the fourth quarter

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FY 1994 through the second quarter FY 1995, the readiness rate for at least one of the two tank units ranged from 10 to 14 percent below the standard.

Pennsylvania. One Pennsylvania ARNG Abrams Tank unit did not reach the Army goal for FYs 1993 through 1995 after the tanks were fielded due to their poor condition. The readiness rates for that period ranged from 58 percent to 81 percent. The Abrams Program Manager and Anniston Army Depot established a technical inspection and repair program at the Unit Training Equipment Site primarily because of the poor condition of the tanks transferred to the Pennsylvania ARNG. It took 14 months to bring the tanks to TM 10 and 20 standards.

South Carolina. South Carolina BFV units reported readiness rates that were below the standard after the systems were fielded. As a result of the poor condition of the BFVs, the South Carolina ARNG requested that the BFV units go into a readiness status in which the unit is not prepared to undertake a wartime mission. The National Guard Bureau approved this request. In one annual training period, several Abrams Tanks became non-mission-capable after only 5 hours of use in the field. Also, the readiness rate of South Carolina's Abrams unit decreased due to the corrosion problems with the tanks from 99 percent to 63 percent over 18 months during FYs 1993 through 1995.

Maintenance Backlog

Ten states have major maintenance man-hour backlogs. This backlog can, in part, be attributed to the age and complexity of the systems transferred to the ARNG. However, also contributing to the backlog is the poor condition of the Abrams and BFVs when initially received by the Materiel Fielding Teams. The ARNG has to divert limited resources such as personnel and facilities in order to assist the Materiel Fielding Teams in making the repairs. Due to the magnitude of the repairs required to the newly fielded equipment, ARNG units fell behind on the maintenance of other types of equipment. In addition, the maintenance effort and backlog is compounded in the ARNG based on how the ARNG trains (one weekend per month and two consecutive weeks per year). The total maintenance man-hour backlogs ranged from 2,000 hours to 110,000 hours. The maintenance backlog for the Abrams Tanks ranged from 2,200 hours to 29,800 hours. (Some states were not able to separate the maintenance backlog hours for the systems.)

According to ARNG maintenance officials, the backlogs will be eliminated after additional manpower slots are filled and parts are available. Such additional manpower is unlikely to occur. Manpower strengths range from 100 percent of authorized (only one state) to an average of 47 percent of authorized for the other nine states. Maintenance personnel stated that it would take from 1 year to 284 years to eliminate the present backlog at the current manpower levels. Currently, the maintenance shops are doing the following to help eliminate the backlog:

Systems Transferred to the Army National Guard

- o fixing all "deadline" (non-mission-capable) equipment as soon as parts are available,
- o developing training plans that increase the state command involvement,
- o increasing emphasis on using full-time technicians to instruct the weekend personnel on work orders and backlog, and
- o ensuring that units during their training periods perform a minimum of 50 percent on productive maintenance.

Summary

The ARNG should receive equipment that is in mission-capable status regardless of source. Transfers should be accomplished expeditiously so as not to delay the fielding of equipment. However, we recognize that the transfer of equipment is sometimes delayed due to repair parts and support equipment not being available in the wholesale system.

Maintaining these vehicles in an operational status after transfer will become extremely difficult due to the age of the armored fleet. Since most Reserve Components are low on the priority list, ARNG units will continue to receive the oldest vehicles. As the armored fleet continues to age, readiness of ARNG units will continue to be challenged. Based on limited resources and the requirement to introduce new platforms to the Army, the Program Executive Office and the Major Commands including the ARNG should continue to look for ways to improve the fielding process. For example, because of the age of the tank fleet, the Army is currently testing a program to rebuild Abrams Tanks to determine the applicability of the rebuild program to the entire fleet of tanks. This program could ensure that the ARNG would receive tanks in better condition.

Benefits associated with improvements in transferring systems to the ARNG cannot be readily quantified. Considering the high cost of the systems transferred and the impact on readiness and maintenance backlog, implementing the recommendations to enhance the transfer process would have significant impact on the effective use of DoD resources. This control would ensure that the ARNG gets systems in mission-capable status, which will maintain a high level of readiness within the ARNG.

Recommendations, Management Comments, and Audit Response

The Deputy Chief of Staff for Logistics responded and included comments from the Program Executive Office, Armored Systems Modernization. We also received comments from the Chief, National Guard Bureau. Although the comments from the Deputy Chief of Staff for Logistics did not address the draft recommendation, we revised the finding and recommendation and added Recommendation 2 based on the comments.

- 1. We recommend that the U.S. Army Deputy Chief of Staff for Logistics require a Memorandum of Agreement be developed to govern all transfers of equipment to the Army National Guard. At a minimum, the Memorandum should include:**
 - a. The responsibilities for all commands involved.**
 - b. The individual, external to the gaining and losing commands, who will be responsible for resolving differences and fixing responsibility.**
 - c. Controls that will be taken after equipment has been inspected to prevent cannibalization.**
 - d. The command responsible and the funding source for all required repairs.**
- 2. We recommend that the Chief, National Guard Bureau, establish a Mobile Transfer Team to execute transfers or assist the Materiel Fielding Teams.**

Management Comments. The Chief, National Guard Bureau, concurred with our draft recommendation. (Now recommendation 1). The Deputy Chief of Staff stated that the majority of the vehicles were transferred in mission-capable status and the vehicles that were in less than TM 10 and 20 standard were brought up to standard by the Materiel Fielding Team. The Materiel Fielding Team used checklists to ensure that equipment was transferred in TM 10 and 20 standards. While the Army Materiel Command was required to act as the arbitrator to resolve disputes, when requested, it was not resourced to do so. He stated that the Deputy Chief of Staff for Logistics is not solely responsible to enforce equipment transfer standards, but the responsibility is with commanders at all levels.

Audit Response. Appendixes C and D show that most systems were in fact transferred in a mission-capable status; however, approximately 30 percent of the systems were non-mission-capable. We acknowledge that checklists are used by the Materiel Fielding Teams, the Army Materiel Command is not resourced, and the Deputy Chief of Staff is not solely responsible. The appropriate changes to the report were made to recognize these facts. However, the transfer process currently followed is not effective. Based on information provided by the Deputy Chief of Staff for Logistics, we revised

Systems Transferred to the Army National Guard

Recommendation 1 to require a Memorandum of Agreement to clarify and strengthen the existing controls. Therefore, we request that the Deputy Chief of Staff respond to the revised Recommendation 1.

Management Comments. The Deputy Chief of Staff stated that not all tanks came from equipment stored in Prepositioned Materiel Configured to Unit Sets as stated in Appendix C of our draft report. Some tanks came from the U.S. Forces Command. The Deputy Chief of Staff had no record of the Army Materiel Command being notified by the ARNG of receiving equipment in less than TM 10 and 20 standard. The Deputy Chief of Staff stated that if units receive equipment in less than the Army standard, they must inform to the proper agencies to resolve the issues.

Audit Response. We changed the report text and Appendix C to reflect the sources of the Abrams Tanks. We agree that the Army Materiel Command was not notified that the ARNG received non-mission-capable equipment. Because these systems cost approximately \$500 million per transfer, the ARNG and other affected Commands should take a more pro-active role in fielding these systems. Therefore, we added a recommendation for the ARNG to establish transfer teams to facilitate the ARNG role in the transfer process.

Management Comments. The Deputy Chief of Staff stated that Bradley systems were delivered to various National Guard units without support equipment. This shortage was due to transportation funds not being available during the time of transfer. All shortages were later made up at no expense to the ARNG.

Audit Response. We recognize that funds are not always available for the delivery of support equipment but should be included when the Army decides to transfer equipment to the ARNG. This type of delay could be avoided by including which commands are responsible for funding support equipment in the Memorandum of Agreement. The Deputy Chief of Staff for Logistics and the Chief, National Guard Bureau, should comment, as appropriate, on the modified recommendations.

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Part II - Additional Information

Appendix A. Scope and Methodology

Scope

This program results audit was made from April through October 1995, using the auditing standards issued by the Comptroller General of the United States as implemented by the Inspector General, DoD, and included such tests of management controls as were considered necessary. We reviewed two systems that the Army transferred to the ARNG during FYs 1992 through 1995: the Abrams Tank System and the Bradley Fighting Vehicle System.

Methodology

We visited 12 states that had received the Abrams Tank system or the Bradley Fighting Vehicle system or both. We reviewed transfer documentation and after action reports for 1,405 Abrams Tank systems and 399 Bradley Fighting Vehicle systems. We interviewed personnel, analyzed documentation relating to the fielding process, and visited four Army Materiel Command units involved in the fielding process. We did not rely on computer-processed data to support our results. Appendix F lists the organizations visited or contacted.

Management Control Program

DoD Directive 5010.38, "Internal Management Control Program," April 14, 1987, requires DoD organizations to implement a comprehensive system of management controls that provides reasonable assurance that programs are operating as intended and to evaluate the adequacy of the controls.

Scope of Review of Management Control Program. We reviewed the adequacy of the Army's controls over the transfer of weapon systems to the Army National Guard. This function was not an assessable unit in the Army.

Adequacy of Management Controls. Numerous controls were in place to ensure that the Army National Guard received weapon systems in mission-capable condition. However, the controls have not precluded equipment being transferred in less than mission-capable status. The recommendations, if implemented, should improve controls over the transfer process. We do not consider the deficiencies in the controls to be a material management control weakness for the Army as defined by Directive 5010.38.

Appendix B. Summary of Prior Audits

During the last 5 years, the Office of the Inspector General, DoD, and the U.S. Army Audit Agency each issued a report that specifically discussed equipping the Army National Guard and the adequacy of logistics support to operational readiness.

Inspector General, DoD

Inspector General, DoD, Report No. 95-229, "Systems Provided to the Army National Guard," June 9, 1994, stated that supportability planning for the Multiple Launch Rocket System and 9 Millimeter Pistol was not adequate. The weapon systems were provided to units of the Army National Guard without the necessary support items.

The report recommended that Assistant Secretary of the Army (Research, Development, and Acquisition) require that all support equipment be delivered concurrently and notify Congress when Dedicated Procurement Program funding is not adequate for required support equipment.

The Assistant Secretary of the Army (Research, Development, and Acquisition) nonconcurred with the recommendation requiring all support equipment be delivered, but agreed to notify Congress when funding for Dedicated Procurement Program funding is not adequate for support equipment. The proposed action met with the intent of our recommendation.

U.S. Army Audit Agency

U.S. Army Audit Report No. 94-213, "Equipment Management in the Army National Guard," June 21, 1994, stated that policies and practices for managing equipment did not effectively enhance the readiness of the Army National Guard. The report recommended that Department of the Army and Army National Guard change some policies and improve some practices for managing equipment. As a result of the audit, effective December 1993, Army Regulation 750-1 was changed to include a requirement for final verification acceptance inspection before equipment is transferred between commands.

Appendix C. Abrams Tank Transfers

<u>State</u>	<u>Model</u>	<u>FY</u>	<u>From Anniston Transfers</u>	<u>* From Active Transfers</u>	<u>NMC</u>	<u>Transfers From Guard</u>	<u>Total Tanks Transferred</u>
Idaho	M1A1	93	60	25			60
Louisiana	M1A1	94	60	0			60
Mississippi	M1A1HA	93	88	0	32	32	120
New York	M1	93/94			60	50	60
N. Carolina	M1	94	60	60			60
Oregon	M1A1	94			60	6	60
Pennsylvania	M1	93	3	0	50	50	7
	M1IP	93	87	0	69	0	156
S. Carolina	M1A1	93	60	0			60
Tennessee	M1A1	95			129	0	9
Texas	M1	93			120	120	120
	M1	93			60	60	60
	M1	93					142
Vermont	M1	94	110	0	10	10	120
Washington	M1IP	92	69	0			69
Totals		597	85	552	328	218	1405

* Prepositioned Materiel Configured to Unit Sets, War Reserve Stocks, and U.S. Forces Command.
 NMC - Non-mission-capable

Appendix D. Bradley Fighting Vehicle Transfers

<u>State</u>	<u>Model</u>	<u>FY</u>	<u>From RRAD Transfers NMC</u>	<u>* From Active Transfers NMC</u>	<u>From Guard Transfers NMC</u>	<u>From Production NMC</u>	<u>Total BFVs Transferred</u>
Mississippi	M2A2	94/95	7	7		4	11
Oregon	M2A2	93	33	10	54	0	87
S. Carolina	M2A0	93		60	59		60
	M3A0	93			28	28	28
Tennessee	M2A0	95	141	0			141
Washington	M2A0	93		31	9		31
	M3A0	93	41	16			41
Totals			222	33	91	68	28
							4
							399

* War Reserve Stocks.
 NMC - Non-mission-capable

Appendix E. Organizations Visited or Contacted

Office of the Secretary of Defense

Assistant Secretary of Defense (Reserve Affairs), Washington, DC
Deputy Under Secretary of Defense (Logistics), Washington, DC

Department of the Army

Assistant Secretary of the Army (Research, Development, and Acquisition),
Washington, DC
Program Executive Office, Armored Systems Modernization, Warren, MI
Army Materiel Command, Alexandria, VA
Army Tank-automotive and Armaments Command, Warren MI
Anniston Army Depot, Anniston, AL
Red River Army Depot, Texarkana, TX
Logistics Support Activity, Huntsville, AL
National Guard Bureau, Washington, DC
Director, Army National Guard, Washington, DC
Idaho National Guard Headquarters, Boise, ID
Louisiana National Guard Headquarters, New Orleans, LA
Mississippi National Guard Headquarters, Jackson, MS
New York National Guard Headquarters, Albany, NY
North Carolina National Guard Headquarters, Raleigh, NC
Oregon National Guard Headquarters, Salem, OR
Pennsylvania National Guard Headquarters, Fort Indiantown Gap, PA
South Carolina National Guard Headquarters, Columbia, SC
Tennessee National Guard Headquarters, Nashville, TN
Texas National Guard Headquarters, Austin TX
Vermont National Guard Headquarters, Burlington, VT
Washington National Guard Headquarters, Tacoma, WA

Appendix F. Report Distribution

Office of the Secretary of Defense

Under Secretary of Defense for Acquisition and Technology
Director, Defense Logistics Studies Information Exchange
Under Secretary of Defense (Comptroller)
 Deputy Chief Financial Officer
 Deputy Comptroller (Program/Budget)
Under Secretary of Defense for Logistics
Assistant to the Secretary of Defense (Public Affairs)
Assistant to the Secretary of Defense (Reserve Affairs)

Department of the Army

Assistant Secretary of the Army (Financial Management and Comptroller)
Assistant Secretary of the Army (Installations, Logistics, and Environment)
Assistant Secretary of the Army (Research, Development, and Acquisition)
Program Executive Office, Armored Systems Modernization
U.S. Army Deputy Chief of Staff for Logistics
U.S. Army Deputy Chief of Staff for Operations and Plans
Commanding General, U.S. Army Forces Command
Commanding General, U.S. Army Materiel Command
Commanding General, U.S. Army Training and Doctrine Command
Chief, National Guard Bureau
 Office of Internal Review and Audit Compliance
Auditor General, Department of the Army

Department of the Navy

Assistant Secretary of the Navy (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Department of the Air Force

Assistant Secretary of the Air Force (Financial Management and Comptroller)
Auditor General, Department of the Air Force

Appendix G. Report Distribution

Other Defense Organizations

Director, Defense Contract Audit Agency
Director, Defense Logistics Agency
Director, National Security Agency
 Inspector General, National Security Agency
Inspector General, Defense Intelligence Agency

Non-Defense Federal Organizations

Office of Management and Budget
Technical Information Center, National Security and International Affairs Division,
 General Accounting Office

Chairman and ranking minority member of each of the following congressional
committees and subcommittees:

Senate Committee on Appropriations
Senate Subcommittee on Defense, Committee on Appropriations
Senate Committee on Armed Services
Senate Committee on Governmental Affairs
House Committee on Appropriations
House Subcommittee on National Security, Committee on Appropriations
House Committee on Governmental Reform and Oversight
House Subcommittee on National Security, International Affairs, and Criminal
 Justice, Committee on Governmental Reform and Oversight
House Committee on National Security
House Subcommittee on Military Personnel, Committee on National Security
House Subcommittee on Military Readiness, Committee on National Security

Deputy Chief of Staff for Logistics Comments



DEPARTMENT OF THE ARMY
OFFICE OF THE DEPUTY CHIEF OF STAFF FOR LOGISTICS
WASHINGTON, DC 20310-6588



DALO-SMR

28 MAY 1996

MEMORANDUM THRU

GREGORY P. GUILLE, LTC, GS, ADECC

f DIRECTOR OF THE ARMY STAFF *June 28 May 96* *J. P. Guille*
~~ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS, LOGISTICS, AND ENVIRONMENT)~~

FOR INSPECTOR GENERAL, DEPARTMENT OF DEFENSE (AUDITING)

SUBJECT: Draft Audit Report on Tracked Vehicle Systems
Transferred to the Army National Guard (Project No. 5AG-0033)--
INFORMATION MEMORANDUM

1. This is in response to USAAA memorandum of 21 Mar 96 (Tab A), which asked ODCSLOG to respond to your comments listed in the Department of Defense Inspector General (DODIG) draft audit report of 20 Mar 96 (Encl to Tab A). The information requested has been consolidated into this memorandum.
2. The DODIG audit alleges that the U.S. Army transferred 413 M1 Abrams tanks and 129 Bradley Fighting Vehicles (BFV) to the Army National Guard (ARNG) in a Non-Mission Capable (NMC) status. This report further implies that the ARNG repaired these vehicles to TM 10/20 standards at great expense to their states. The Program Executive Office, Armored Systems Modernization, Warren, MI, has addressed specific areas of the report in which they recommend either a change in the way the statement is presented or have provided a response to the statements (Tab B).
3. Some vehicles were transferred to the ARNG in less than TM 10/20 standards. However, the vast majority of the vehicles were transferred in accordance with applicable Army regulations and vehicles transferred at less than standard were brought to standard by the U.S. Army Materiel Command (AMC). The Fort Carson Materiel Fielding Team (FCMFT) Deprocessing Checklists have been used as the verification checklists for transfers of M1 Abrams Tanks and BFVs between MACOM's for a number of years (Tabs C and D). Use of these checklists results in equipment being transferred at TM 10/20 standards, if both parties to the transfer fully comply with their responsibilities. These checklists are made available by the FCMFT to all parties in

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SUBJECT: Draft Audit Report on Tracked Vehicle Systems
Transferred to the Army National Guard (Project No. SAG-0033)--
INFORMATION MEMORANDUM

the transfer. When disagreement over the condition of a piece of equipment being transferred between MACOMs occurs, AMC, IAW AR 750-1 Army Materiel Maintenance Policy and Retail Maintenance Operations, is required to act as the arbitrator to resolve the dispute. While AMC is required by AR 750-1 to participate in every MACOM-to-MACOM transfer that takes place in the Army, it is not resourced to do that. AMC is brought into the transfer process when one or both of the parties request assistance to resolve disputes, or if AMC is one of the MACOMs in the transfer. It is not solely the responsibility of the Deputy Chief of Staff for Logistics to enforce equipment transfer standards, but the responsibility of commanders at all levels.

4. The tank transfer chart, Appendix C, Abrams Tank Transfer, of the draft report, indicates that all transfers from the Active Component came from equipment stored in Prepositioned Materiel Configured to Unit Sets (POMCUS) and Army War Reserve (AWR) stocks. This is partially true. Some of the tanks in question were transferred to the ARNG from U.S. Forces Command (FORSCOM). While equipment in POMCUS and AWR stocks is maintained at TM 10/20, over-ocean shipment and delays in moving equipment off the docks contribute to degradation in operational capability which is often not discovered until receipt of the equipment at final destination. Per records available for examination, AMC was not notified of any of the AWR equipment received by the ARNG as being at less than the transfer standard. If AMC was not notified, no action could be taken to correct the deficiencies. FORSCOM transferred 156 M1A1 tanks to the Tennessee and North Carolina National Guard (TNARNG, NCARNG) during FY 95 as a result of the two-division downsizing of the Active Component. The ARNG requested this transfer be accelerated; and at the 60-day inspection at Fort Carson by the TNARNG, FORSCOM was told that the ARNG was extremely satisfied with the condition of the tanks and they would sign for them at that time. One hundred and twenty M1A1s were transferred to the TNARNG on 16 Jul 95, nine M1A1s to the NCARNG on 24 Jul 95, and eighteen M1A1s to the TNARNG and NCARNG (nine each) on 16 Aug 95.

5. BFVs transferred to the South Carolina Army National Guard, Washington Army National Guard, Mississippi Army National Guard, and Oregon Army National Guard were not initially complete. Special tools, circuit cards, machine guns, smoke grenade launchers, Basic Issue Items and TOW Test Sets were not all

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initially available for issue at the time of the BFV handoff to the ARNG. This was due to transportation funds not being available at the time to complete the transfers. All shortages were made up at no expense to the ARNG by AMC as transportation funds became available (Tab E).

6. AMC will continue to ensure equipment transferred to the Reserve Components as part of the Army's modernization efforts is transferred at TM 10/20 standards. It is imperative that if units receive equipment at less than the Army standard, they make it known to the proper agencies in order to resolve the issue at the lowest possible level, and to ensure that equipment is maintained and transferred in a go-to-war condition.

5 Encls

Charles J. Mahan Jr. mg, us
for JOHN G. COBURN
Lieutenant General, GS
Deputy Chief of Staff
for Logistics

CF:
VCSA
CDR, AMC
DCSOPS
SAAG-PMF-E
DALO-ZXA

AMC (LG) - Concur, Mrs Pat Jones/617-8691 (conference)
DAMO (FDD) - Concur, MAJ Thompson/697-0806 (conference)

LTC Ingerson/695-2461

Deputy Chief of Staff for Logistics Comments



ARMED
FORCES
OF THE
UNITED STATES

SFAE-ASM-L

DEPARTMENT OF THE ARMY
PROGRAM EXECUTIVE OFFICE
ARMORED SYSTEMS MODERNIZATION
TROYER, MICHIGAN 48087-5000



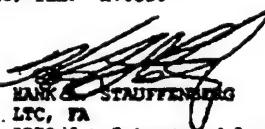
16 May 1996

MEMORANDUM FOR Department Of Defense Inspector General,
ATTN: Michael E. Simpson, 400 Army Navy Drive,
Arlington, VA 22202

SUBJECT: Program Executive Office Armored Systems Modernization
Recommended Comments To DoDIG Draft Audit Report on Tracked
Vehicle Systems Transferred to the Army National Guard
(Project SAC-0033.00)

1. Enclosed are our comments concerning the subject DoDIG Draft Audit Report Project # SAC-0033.00, dated 20 March 1996. Comments are keyed numerically to your basic report and describe actions discussed to the agreed upon recommendations as a result of our meeting conducted 13-14 May 1996.
2. POC in this office is Mr. Anthony D. Echoles at DSN: 786-8223 or Commercial: (810) 574-8223; Fax: X7039.

Encl


HANK C. STAUFFER/MSG
LTC, FA
APEO for Integrated Logistics

CC:

Deputy Assistant Secretary For Plans, Programs & Policy,
ATTN: SARD-RP (Mr. Waldschmidt), Washington, DC 20310-0103
HQDA ODCSLOG, ATTN: DAEO-SMR (LTC Chuck Ingerson), Washington,
DC 20320-0543
PM Abrams, ATTN: SFAE-ASM-AB-L (Mr. Bednarik/LTC Scott Miller)
PM BFMV, ATTN: SFAE-ASM-BV-L (Mr. Powell/Mr. Maxx)
CDR, TACOM, ATTN: AMSTA-IM-DEM (Mr. Blythe)
Chief, MFT, ATTN: SFAE-ASM-MFT (LTC Jones), Fort Carson,
CO 80913-5715
PEO, ASM, ARNG LNO, ATTN: SFAE-ASM-L (DGAJ Satchell)

Deputy Chief of Staff for Logistics Comments

Attachment 1

PEO, ASM Recommended Comments To DoDIG Draft Audit Report On Tracked Vehicle Systems Transferred To Army National Guard (Project SAG-003.00)

- Comments are keyed numerically to your basic report and describe actions discussed to the agreed upon recommendations as a result of our meeting conducted 13-14 May 1996.

Page No.	Para No.	Line No.	Changes/Recommendations/Comments
1	3		<u>Executive Summary - Audit Results</u>

As a result of the end to the cold war in Europe and Operation Desert Storm/Shield, the Army made significant Force Structure changes. The European theater was significantly reduced and realigned; Eighth US Army Korea was identified as an out of DAMPL priority fielding. These changes [unit inactivation's, reflagging units, and priority to the CONUS contingency forces] made available unprogrammed candidates [Abrams/BFVS] from sources worldwide for transfer to ARNG units. Redistributing these assets with support equipment to Guard units within the unusually compressed timeframe caused problems in the transfer process. In some instances, typically in the case of transfers caused by inactivating units [MACON To MACON Transfers], Abrams/BFVS were transferred to ARNG units in a non-mission capable condition less some required support equipment. We found that when PEO, ASM MFT was involved in the process, non-mission-capable vehicles, regardless of source, were shipped to the onsite MFT. Fielding team personnel, in many cases, repaired vehicles prior to issue to the gaining organization. In addition, shortfalls in transportation funding and procurement lead times that could not be adjusted to meet accelerated fielding schedules, caused some ARNG units to be fielded less some required support equipment. The Total Army structure was impacted as a result of this realignment contributing to the impact on readiness with an associated increase in maintenance man-hour backlog in ARNG units. To minimize the problem, the Army [through AMC] contracted ARNG organizations to repair vehicles to TM-10/20 standards for issue to ARNG units; requested DCSLOG to rewrite AR 700-142.

Page No.	Para No.	Line No.	Changes/Recommendations/Comments
1	2	All	<u>Executive Summary - Audit Results</u>

The management and control program of the fielding and transfer process is more than adequate. In many instances, PEO ASM/PM/MFT personnel are exceeding their responsibilities and going well

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beyond their requirements in assisting Guard units. However, during some transfers, there appeared to be miscommunications and a lack of understanding [both gaining/losing units] of responsibilities.

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
1	5		<u>Executive Summary-Summary Of Recommendations</u>

It is apparent that the Army will continue to modernize it's ground forces with newer and upgraded systems. Over the past decade, the U.S. Army (AC and approximately 90% of RC) has successfully transitioned from a M60/M113 Army to an Abrams and BFVS Army. Missions currently being executed by PEO, ASM have been redefined and incorporated into the rewrite of AR 700-142. PEO, ASM's focus for the future will be on modernization and less on the transfer of systems that are no longer in production. We recommend that both active and ARNG units continue to take a more proactive role in transfers; AMG, and PEO, ASM as applicable, continue to retain primary responsibility as arbitrator for displaced systems; ARNG contracted repair facilities retain responsibility for transferring systems from their repair facilities IAW existing Army maintenance policies; Army DCSLOG and Commanders and all parties at all levels continue to enforce equipment transfer standards; NGB establish and develop one Memorandum Of Agreement/Understanding (MOA/MOU) between PEO/PMs, the Losing and/or Gaining Commands. Currently, NGB units prepares a MOA/MOU by State, which in some instances causes misunderstandings and some confusion. The fielding/transfer process is a mature and standard procedure; MOA/MOU can be tailored to the applicable State. This will help the communication process by keeping all parties informed and provide inexperienced personnel with those details needed during the transfer process.

* Pages 1-3 No Changes Recommended.

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
4	1	All	Systems Transferred to the ANG

In some instances, typically in the case of transfers caused by inactivating units and without the presence of the MFT, Abrams/BFVS were transferred to ARNG units in a non-mission capable condition less some required support equipment. In addition, shortfalls in transportation funding and procurement lead times that could not be adjusted to meet accelerated fielding schedules, caused some ARNG units to be fielded less some required support equipment. However, shortages were noted in the Gaining Command Fielding Evaluation Reports and provided

3

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to the unit by MFT personnel as they became available. BFVS shipped from Red River Army Depot (RRAD) were fielded to ARNG units by PEO, ASW MFT personnel. MFT is responsible for completely deprocessing the vehicle and ensuring the system is in a Ready For Issue (RFI) condition. Maintenance shortfalls were documented on Gaining Command Evaluation Reports and repaired by MFT. In some instances, vehicles are fielded from Depot Reliability Centered Inspect And Repair Only As Necessary (RC-IRON) Programs. The intent of these programs is to inspect vehicles and repair only as necessary within a written Scope Of Work. Since vehicles are fielded in unit sets [normally one battalion size unit consist of approximately 60 vehicles], shipment of vehicles from depots are held and shipped to the fielding location in economical quantities. This, combined with delays that occur in moving equipment through the transportation system, all contribute to degradation in the vehicle's operational capability. The SOW is more than adequate; provided PEO, ASW Programs continue to fully support/warrant the vehicles during the fielding process.

3 Deleted

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
4	1	6	On line 6, delete the words "written scope of work ..." following the words "Bradley Fighting Vehicle System" and insert the words " required repairs exceeding TM 10/20 transfer standards; however, evidence shows all required work was not accomplished by RRAD".

3 Revised

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
4	1		<u>Guidance</u>

The new date for AR 700-142 is 1 May 95. PEO, ASW provides a MFT to gaining ARNG units receiving equipment outlined attachment 2:

4-5

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
5-6	All		Mission Capability and Support-Abrams Tank

- Transfers From Active Units: Abrams tanks identified for transfer to ARNG units were received from various sources in a non-mission capable status by PEO, ASW MFT. Fielding team personnel repaired all vehicles prior to hand-off to gaining units.
- Mississippi: The MSNG received 120 tanks. 32 of these tanks were received from an active unit in Germany in a non-mission capable status. However, tanks received by MFT in non-mission capable status were repaired to TM 10/20 standards prior to hand-off to the gaining organization.

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- New York: The New York Army National Guard received 60 tanks from an active unit at Fort Polk, Louisiana. Fifty of those tanks were transferred with non-mission capable deficiencies; however, repairs were made by the MFT prior to hand-off to the gaining unit.
- Oregon: The ORNG received 60 tanks, six of which were received in non-mission capable status by the MFT. MFT repaired tanks to TM 10/20 standards prior to hand-off. Delete the last sentence since records were not available to document examples.
- Pennsylvania: The Pennsylvania Army National Guard received 59 tanks from Ft Carson vs 119 tanks. Tanks received by MFT in non-mission capable status were repaired to TM 10/20 standards prior to hand-off to the gaining organization.
- Texas: Tanks received by MFT for this fielding had shortcomings and were non-mission capable; however, all tanks were repaired to TM 10/20 standards by the MFT prior to hand-off to the gaining unit.
- Vermont: The Vermont Army National Guard received 8 tanks from Ft Polk vs 10 tanks. Tanks received by MFT in non-mission capable status were repaired to TM 10/20 standards prior to hand-off to the gaining organization.
- Transfers From Anniston Army Depot: Of 598 tanks received by the MFT from Anniston Army Depot, all deficiencies were corrected by fielding team personnel prior to hand-off.
 - Idaho: The Idaho Army National Guard received 60 MILI tanks from the depot vs 61. Tanks received by MFT in non-mission capable status were repaired to TM 10/20 standards prior to hand-off to the gaining organization.
 - North Carolina: Delete the entire paragraph.
 - South Carolina: The South Carolina Army National Guard received 60 MILI tanks from Anniston Army Depot that were fully mission capable. Delete the words serious corrosion or delete the sentence that contain these words in its entirety.

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- Support Equipment: The transfer of the tanks did not include some basic issue items and other types of support equipment. When tanks are issued from Anniston Army Depot, the receiving unit does a joint inventory to identify shortages then submits the results to TACOM for backfill when the items are available. When tanks are transferred from another unit the receiving unit does a joint inventory to identify shortages then the losing command must fill or provide funds to gaining unit.

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
7	4	9	Maintenance Standards -Anniston Army Depot

6 Revised

On the 9th line, change North Carolina to South Carolina. On line 10, delete the words "IRON Program" Following the words "they received tanks from the"; and insert the words "Material Fielding Team repaired by Anniston Army Depot". Add new sentence following end of this sentence on line 11: "The MFT, which included ANAD representation corrected all discrepancies to the customer's satisfaction."

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
8	1	3	Mission Capability and Support - BFVS

6

Change the 1st sentence to read: We evaluated the condition and logistics supportability of 399 Bradley Fighting Vehicles (BFV) transferred to ARNG units in five states. We found that 129 BFVs were transferred to the onsite MFT in a non-mission capable status; and were repaired to TM 10/20 standards by fielding team personnel prior to hand-off to the gaining unit.

- Transfers From Active Units: The MFT received 68 out of 91 BFVS in non-mission capable status or in poor condition.
 - South Carolina: Fifty-nine of the 60 vehicles received by the onsite MFT at the gaining unit location were in non-mission-capable status. Prior to hand-off, vehicles were repaired by MFT personnel for issue to the gaining unit. Letter from SFC Wiggers, SCARNG, states that "All in all I [SFC Wiggers] am very satisfied and glad to have been a part of the fielding process."
 - Washington: Add: All vehicles were received at the gaining unit location by the onsite MFT. The 9 non-mission capable vehicles at the field site were repaired by MFT personnel prior to hand-off to the gaining unit. The vehicles found with cracked turret ring bearings

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could not be repaired during deprocessing because turret rings were not available - there was only one contractor for this item. However, during the exit briefing with the unit, the unit was informed that when rings become available, PM BFVS would send a team to the unit's location to replace the rings. Delete the last sentence.

7 Deleted

• Transfers From Red River Army Depot: Thirty-three of the 222 BFVS were received by the onsite MFT in non-mission capable status.

7 Deleted

• Mississippi: All seven BFVs from RRAD were received by the onsite MFT in a non-mission-capable status. Delete the last sentence in this paragraph.

7 Revised

• Oregon: Delete the last two sentences in this paragraph.

• Washington: PM BFVS funded requisitions for all shortages noted on these vehicles eventhough it was a losing commands responsibility. Non-mission-capable vehicles from RRAD was received by the MFT. Vehicles with turret ring problems could not be repaired during the transfer process because turret rings were not available in the system. Delete the words "inoperable grenade launchers" on line 3 in the second sentance.

7 Deleted

• Support Equipment: Add the word "Some" at the beginning of the first sentence; insert the word "some" following the word receive in the 3rd line of the second sentence. Delete the last sentence. Add the statement "Shortages that were not available at the time of fielding were backfilled to the unit at a later date".

7 Revised

Page	Para	Line	Changes/Recommendations/Comments
Mo.	No.	No.	
9	1	2-7	Maintenance Standards - BFVS

8 Revised

Starting on line 2, end the first sentence following the word "status". Starting with the word "because" on line 2, delete the first three sentences through the words "mission capable status" on line seven. Insert with the following: "BFVs were fielded to National Guard units in less than mission-capable status. Although the TACOM Scope of work required all Bradleys to be in better than TM 10/20 condition, there is evidence several vehicles were shipped from RRAD without the required repairs. This scope of work was further improved later in the depot repair program as additional funding and ODS(3D) analysis results

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revealed the need for additional investigation and repair of latent damage.

Vehicles received in non-mission-capable status were shipped to the onsite MFT. MFT personnel repaired vehicles to standard less any Depot MWOS that could not be applied by the team.

9 Page Para Line Changes/Recommendations/Comments
 No. No. No.
 10 Readiness - No changes recommended:

10 However, keep in mind, that the age of the fleet is a direct contributor to a decline in readiness.

10 Page Para Line Changes/Recommendations/Comments
 No. No. No.
 11 Maintenance Backlog

The fielding of new equipment did not require extensive repairs and therefore did not contribute to a maintenance backlog in ARNG units. New equipment is deprocessed and fielded to the gaining unit by a PEO, ASM MFT. All maintenance faults noted are corrected by the team prior to hand-off. However, from a maintainers perspective, based on unfamiliarity/inexperienced personnel, a low learning curve for maintaining these newer complex systems in Guard units, and the age of the fleet all contribute to a maintenance backlog - especially those units transitioning to a new system for the first time, e.g., from a M60 to an Abrams tank. In addition, ARNG units accepted equipment from losing organizations both AC and ARNG repair facilities, when perhaps they should have voiced and elevated their concerns. In addition, the maintenance effort and backlog is compounded in the ARNG based on how the Guard trains [one weekend per month and two consecutive weeks per year].

11 Page Para Line Changes/Recommendations/Comments
 No. No. No.
 12 Conclusion

It is essential that ARNG units, regardless of source, receive equipment that is in mission-capable status. It is essential not to delay hand-off of equipment. However, there are some instances that will present unique situations that could cause possible delays in the fielding process, e.g., repair parts, components, support equipment, not available in the wholesale system. We should all realize that the age of the armor fleet will continue to present the Army, more so the Guard, problems with maintaining these systems. In most instances, vehicles are repaired to TM -10/20 standards by PEO, ASM MFT for issue to ARNG units; in other cases it is the losing command responsibility

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[Unit To Unit and MACOM To MACOM Transfers]. However, maintaining these vehicles in an operational status, after fielding/transfer, becomes extremely difficult due to the age of the armor fleet. Since most RC units are low in the DAMPL priority, ARNG units will continue to receive the oldest vehicles in the armor fleet. As the armor fleet continues to age, Guard units Readiness will continue to be challenged to include their O&S burden. Currently the Army has no long term fleet sustainment program. Until the Army consciously funds such programs as Abrams Integrated Management (AIM) XXI, that rebuilds, in this case the Abrams tank, to new condition using original manufacturing tolerances resulting in a zero time tank, extended life cycle, reduced O&S burden, etc. the Abrams fleet will continue to age, reducing readiness and increasing in O&S costs. Commanders and concerned parties at all levels must ensure equipment designated for transfer is IAW existing Army policies and procedures. This includes a well coordinated, agreed to, and enforced MOA. When disagreements arise between the losing and gaining command, based on vehicle source, the Army Materiel Command or the Materiel Developer will act as the "honest broker" and resolve differences between these units.

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
13	All		<u>Recommendations:</u>

PEO, ASM recommends the following be inserted in your final report.

- It is not solely the responsibility of the Deputy Chief of Staff of Logistics to enforce equipment transfer standards, but the responsibility of commanders at all levels.
- The tank transfer chart, Appendix C, Abrams Tank Transfers, of the draft report, indicate that all transfers from the Active Component came from equipment stored in Prepositioned Material Configured to Unit Sets (POMCUS) and Army War Reserve (AWR) stocks. This is partially true, some of the tanks in question were transferred to the ARNG from U.S. Forces Command (FORSCOM).
- To preclude misunderstandings and misinterpretations, NGB should develop, staff, and approve one MOA or MOU to govern the transfer process for all States. MOA/MOU can be tailored to incorporate specific or unique requirements but remain a stand alone document that each State must adhere to. For example, there is no vehicle warranty during transfer. Additionally, ARNG units that receive vehicles with

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outstanding concerns should communicate these concerns to the responsible agency in writing within 30 days.

- That ARNG expectations of the equipment received from transfers must not exceed TM 10/20 standards.
- That the ARNG recognize and accept that the PEO, ASM focus is on fielding systems that are in production and not displaced equipment. Therefore, the NGB should establish a Mobile Transfer Team to execute the transfer process regardless of State vs creating a new team for each State receiving equipment. This will create continuity and establish a knowledgeable and stable pool of people on site to guide the transfer process.
- Based on limited resources and the requirement to introduce new platforms to the field Army, PEO, ASMs focus, more so now than ever, must be on fielding these systems. Both active and ARNG units to include ARNG repair facilities, must take a more proactive role before and during the transfer process - not after the transfer.
- For clarity and to reinforce the transfer process, it is recommended that all parties review AR 700-142 dated 1 May 95; review current Abrams and BFVS Materiel Transfer Plans and the Retro-Europe Transfer Annex to Abrams and BFVS Transfer Plans. Review TM 10/20 Standards Maintenance Criteria and agree to accept supplementary checklists as developed by the Materiel Developer.
- The agreed upon arbitrator by both the losing and gaining command during the transfer process be external to the chain of command of both the losing and gaining organizations.
- That HQDA DCSOPS, Materiel Developer, Gaining or Impacted Units agree to an accelerated fielding/transfer schedule at a minimum 2 years prior to execution.
- That HQDA DCSLOG realign AR 700-142 with AR 750-1 or vice-versa to put regulations in sync of each other. Specifically:
 - AR 750-1, para: 4-6 c. (2) and (3)
 - AR 700-142 Section II, para: 5-5 through 5-8

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- MFTs are composed of both PEO core and Matrix staffs - AR 750-1 identifies AMC responsible for transfers. In this case, who AMC is remains unclear. If indeed AMC is responsible for transfers, the regulation needs to be clear and specific on those responsibilities and the source of funding to support. If AMC is not to be responsible for transfers, delete any such references from the regulation.
- That the Army adopt long term fleet sustainment programs, e.g., AIM XXI for extending the life cycle of the armor fleet.
- That a final inspection be conducted by the gaining command for all transfers. This will help ensure that all repairs within the losing command capabilities were either done or completed; more accurate picture as to the condition of the vehicles.

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
14			<u>Appendix A. Scope and Methodology</u>

Methodology: Appendix F lists the organizations visited or contacted. Were PEO, ASM offices (PM Abrams, BFVS, MFT, or APPEO-L) included in this visit; if so they need to be added to the list.

16 Revised

Page	Para	Line	Changes/Recommendations/Comments
No.	No.	No.	
14	All		<u>Appendix A. Scope and Methodology</u>

Management Control Program: Adequacy of Management Controls

16

Disagree with statement as written in the second sentence. Controls are more than adequate and in place to ensure that the Army National Guard receive weapon systems in mission-capable condition. Maintaining weapon systems after transfer becomes extremely difficult based on the age of the armor fleet.

Chief, National Guard Bureau, Comments

NGB-ARC-M (36-5d)

07 MAY 1996

MEMORANDUM FOR THE DEPARTMENT OF DEFENSE INSPECTOR GENERAL, 400
ARMY NAVY DRIVE, ARLINGTON, VIRGINIA 22202-2884

SUBJECT: Draft Audit Report on Tracked Vehicle Systems Transferred to the Army
National Guard (Project 5AG-0033.00)

1. We reviewed your report and find the information and facts accurate. We concur with the recommendation to the Deputy Chief of Staff for Logistics to enforce the requirement that equipment be transferred in mission-capable status and that all support equipment be delivered concurrently with the weapon system.
2. Point of contact for this action is Ms. Pat Condon, NGB-ARC-M, DSN 327-7534, COMM 703-607-7534.

FOR THE CHIEF, NATIONAL GUARD BUREAU:



MORGAN F. DENNY
Colonel, GS
Director, Army Comptroller

CF:
NGB-IR

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The Acquisition Management Directorate, Office of the Assistant Inspector General for Auditing, DoD, prepared this report.

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INTERNET DOCUMENT INFORMATION FORM

A . Report Title: Tracked Vehicle Systems Transferred to the Army National Guard

B. DATE Report Downloaded From the Internet: 12/20/99

C. Report's Point of Contact: (Name, Organization, Address, Office Symbol, & Ph #): OAIG-AUD (ATTN: AFTS Audit Suggestions)
Inspector General, Department of Defense
400 Army Navy Drive (Room 801)
Arlington, VA 22202-2884

D. Currently Applicable Classification Level: Unclassified

E. Distribution Statement A: Approved for Public Release

F. The foregoing information was compiled and provided by:
DTIC-OCA, Initials: __VM__ **Preparation Date** 12/20/99

The foregoing information should exactly correspond to the Title, Report Number, and the Date on the accompanying report document. If there are mismatches, or other questions, contact the above OCA Representative for resolution.